



U.S. Department of Justice

*United States Attorney
District of Maryland*

*Rod J. Rosenstein
United States Attorney*

*Vickie E. LeDuc
Public Information Officer*

*36 South Charles Street
Fourth Floor
Baltimore, Maryland 21201*

*410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov*

February 20, 2008
FOR IMMEDIATE RELEASE
<http://www.usdoj.gov/usao/md>

**Contact AUSA VICKIE E. LEDUC or
MARCIA MURPHY at (410) 209-4885**

**MARYLAND TRANSIT ADMINISTRATION POLICE OFFICER PLEADS GUILTY
IN ARSON AND INSURANCE FRAUD SCHEME**

Two Other MTA Employees Have Pleaded Guilty to Federal Charges

BALTIMORE, Maryland - A police officer for the Maryland Transit Administration ("MTA"), James Walthall, age 41, of Randallstown, Maryland, pleaded guilty today to mail fraud in connection with a scheme in which he arranged for the burning of a vehicle he owned and two vehicles owned by other MTA employees, in order to avoid repossession and further loan payments, and to have the car insurance companies pay the outstanding loan balances on the vehicles, announced United States Attorney for the District of Maryland Rod J. Rosenstein.

United States Attorney Rod Rosenstein said, "James Walthall repeatedly broke the law and violated his oath as a law enforcement officer by committing multiple arsons and defrauding insurance companies. It is especially egregious that Walthall involved other people in his scheme. I am grateful to the MTA Police for their assistance."

Colonel David C. Franklin, Chief of Police, Maryland Transit Administration stated, "Integrity is a priority of our police force. We have worked closely with the U.S. Attorney's Office to bring this matter to a successful prosecution. Walthall has had his police powers suspended since the inception of this case and has not worked in any police capacity."

According to his plea agreement, Walthall arranged for the burning of multiple vehicles from 1999 to 2004. For example, in February 2003, Walthall falsely reported his 1997 Ford Expedition stolen and filed a fraudulent insurance claim with his insurance company. He eventually obtained relief from his debt on the vehicle. In April 2003, Walthall caused the burning of the vehicle in an attempt to conceal his insurance fraud.

In December 2003, Walthall helped Lucretia Westbrook, an MTA bus driver, dispose of her 2003 Chevrolet Tahoe for a few hundred dollars, because she was having difficulty making the monthly payments. On December 15, 2003, Walthall picked up the Chevrolet Tahoe and caused it to be burned. Westbrook then filed a false police report and false insurance claim, and was relieved of her debt on the vehicle.

Similarly, on January 1, 2004, Walthall helped Ronald Lurz, another MTA police officer, dispose of his Audi Quattro TT in return for money. On January 1, 2004, Walthall picked up the Audi Quattro, received cash from Lurz and caused it to be burned. Lurz then filed a false police report and false insurance claim, and was relieved of over \$34,000 of debt on the vehicle.

Gregory K. Gant, Special Agent in Charge of the Bureau of Alcohol, Tobacco, Firearms and Explosives, Baltimore Field Division stated, "We would like the public to know that we will investigate and work to prosecute those offenders who use fire and arson to harm innocent people or damage property for personal profit or benefit. And we are most saddened that someone who took an oath to public safety has made the choice to abuse the system."

Walthall faces a maximum penalty of 20 years imprisonment, three years of supervised release and a \$250,000 fine. U.S. District Judge Andre M. Davis scheduled sentencing for April 28, 2008 at 10:00 a.m. Walthall has agreed to a mandatory five years in jail as a result of his plea.

Lucretia Westbrook and Ronald Lurz, both age 35, of Baltimore, have pleaded guilty to federal crimes in related cases associated with this arson and insurance fraud scheme.

United States Attorney Rod J. Rosenstein commended the investigative work performed by the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Baltimore City Police Department, and the Maryland Transit Administration. Mr. Rosenstein thanked Assistant U.S. Attorneys Harry M. Gruber and Kathleen Gavin, who are prosecuting the cases.